

Verbio

Biofuel and Technology

Quarterly statement
for the period ended
September 30, 2022
(Q1 2022/2023)

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[in EUR millions]

Results of operations	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Sales	592.2	350.4	458.7	428.4	575.0	1,812.5
EBITDA	121.4	40.2	147.0	127.7	188.4	503.3
EBITDA margin (percent)	20.5	11.5	32.0	29.8	32.8	27.8
EBIT	111.9	33.1	139.3	119.1	170.5	462.0
EBT	112.0	32.8	139.1	151.9	137.3	461.1
Net result for the period	76.9	22.6	97.7	79.6	115.9	315.8
Earnings per share (basic) (EUR)	1.21	0.36	1.55	1.26	1.82	4.99
Operational statistics	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Production (tonnes)	216,514	209,066	223,347	206,672	199,047	838,132
Production (MWh)	261,020	199,877	214,841	237,183	233,058	884,959
Utilisation Biodiesel/ Bioethanol (percent) ¹⁾	90.2	90.9	97.1	89.9	86.5	91.1
Utilisation Biomethane (percent) ¹⁾	80.3	88.8	95.5	105.4	103.6	98.3
Investments in property, plant and equipment	42.9	19.3	23.4	38.2	41.0	121.4
Number of employees ²⁾	1,091	892	922	958	978	978
Net asset position	30.09.2022	30.09.2021	31.12.2021	31.03.2022	30.06.2022	30.06.2022
Net financial assets	261.9	111.5	140.5	147.5	284.1	284.1
Equity and liabilities	889.3	541.7	635.1	724.0	818.5	818.5
Equity ratio (percent)	72.0	71.8	71.3	72.5	72.5	72.5
Balance sheet total	1,234.7	754.8	890.5	999.3	1,128.6	1,128.6
Financial position	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Operating cash flow	-44.2	18.5	76.9	64.6	165.0	325
Operating cash flow per share (EUR)	-0.70	0.29	1.22	1.03	2.62	5.16
Cash and cash equivalents ³⁾	291.9	141.5	170.5	177.5	314.1	314.1

¹⁾ From July 1, 2022 the annual production capacity of the production plants is as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: increased to 300,000; biomethane: increased to 1,300 GWh.

²⁾ At the balance sheet date.

³⁾ At the balance sheet date, includes amounts held in segregated accounts.

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Biodiesel	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Sales	435.4	261.6	324.1	292.0	392.0	1,269.7
EBITDA	91.5	22.2	96.1	75.3	104.8	298.4
EBIT	88.9	19.6	93.6	72.9	86.6	272.7
Production (tonnes)	145,124	150,007	155,185	138,988	129,851	574,031
Utilisation (percent) ¹⁾	88.0	90.9	94.1	84.2	78.7	87.0
Number of employees ²⁾	219	224	219	220	216	216
Bioethanol (incl. biomethane)	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Sales	152.8	86.0	131.7	133.7	179.9	531.3
EBITDA	28.9	17.1	50.2	52.0	83.0	202.3
EBIT	22.6	13.0	45.6	46.4	83.9	188.9
Production (tonnes)	71,390	59,059	68,161	67,684	69,196	264,101
Production (MWh)	261,020	199,877	214,841	237,183	233,058	884,959
Utilisation Bioethanol (percent) ¹⁾	95.2	90.9	104.9	104.1	93.9	101.6
Utilisation Biomethane (percent) ¹⁾	80.3	88.8	95.5	105.4	89.1	98.3
Number of employees ²⁾	591	456	477	498	401	514
Other	Q1 2022/2023	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	2021/2022
Sales	7.5	5.4	4.7	5.3	6.0	21.4
EBIT	0.4	0.5	0.1	-0.2	0.0	0.4

¹⁾ From July 1, 2022 the annual production capacity of the production plants is as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: increased to 300,000; biomethane: increased to 1,300 GWh.

²⁾ At the balance sheet date.

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Business report and the Group's position

VERBIO AG reports a significant increase in earnings for the first three months of the financial year 2022/2023 compared to the same period in the previous year.

Group revenues increased by 69 percent to EUR 592.2 million compared to the previous year (Q1 2021/2022: EUR 350.4 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the first three months of the financial year 2022/2023 amounted to EUR 121.4 million, above the level in the comparative period in the previous year (Q1 2021/2022: EUR 40.2 million). The Group result before interest and taxes (EBIT) totalled EUR 111.9 million (Q1 2021/2022: EUR 33.1 million). The net result for the period amounted to EUR 76.9 million (Q1 2021/2022: EUR 22.6 million). Based on the result for the period, earnings per share are EUR 1.21 (Q1 2021/2022: EUR 0.36).

Net assets and financial position

Cash flows

Cash flows from operating activities in the first three months of the financial year 2022/2023 amounted to EUR –44.2 million (Q1 2021/2022: EUR 18.5 million). With higher net profits for the period (EUR 76.9 million; Q1 2021/2022: EUR 22.6 million), the fall in cash flows from operating activities compared to the corresponding quarter in the previous year was due to the higher increase in inventories in the period (Q1 2022/2023: an increase of EUR 28.1 million; Q1 2021/2022: an increase of EUR 7.4 million), and in addition to cash and cash equivalents of EUR 113.9 million tied up in trading activities in other financial and non-financial assets (Q1 2021/2022: EUR 8.2 million).

Driven by investments made in property, plant and equipment, total cash outflows in the first three months of 2022/2023 amounted to EUR 39.6 million (Q1 2021/2022: EUR 20.2 million), which almost corresponds to the total of cash flows from investing activities.

The cash flows from financing activities in the current reporting period wholly comprised repayments of lease liabilities of EUR 1.6 million (Q1 2021/2022: EUR 1.6 million).

As a result of the above, cash and cash equivalents fell by a total of EUR 84.7 million in the period July 1, 2022 to September 30, 2022. Cash and cash equivalents reported in the balance sheet at September 30, 2022 amounted to EUR 214.9 million.

Net cash

The Group's bank and loan finance arrangements are offset by cash and cash equivalents as well as additional cash held in segregated accounts totalling EUR 291.9 million, so that the reported net cash balance at September 30, 2022 amounted to EUR 261.9 million (June 30, 2022: EUR 284.1 million).

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Bioethanol and Other segments**

The primary driver of the improvement in results in the first quarter of the financial year 2022/2023 compared to the same period in the previous year was the significantly higher margins achieved in the Biodiesel segment in the first quarter of 2022/2023. It was possible to maintain the trend set in the final quarter of the previous financial year. On the other hand, the margins in the Bioethanol segment were markedly below the levels of the first quarter of the previous year, with raw material costs largely unchanged. Capacity utilisation of the production plants in both the Biodiesel and Bioethanol segments was good. The production volume of biodiesel and bioethanol in the period from July 1, 2022 to September 30, 2022 totalled 216,514 tonnes, compared with 209,066 tonnes in the same period in the previous year. In addition, 261.0 GWh of biomethane were produced in the first three months of the financial year 2022/2023 (Q1 2021/2022: 199.9 GWh). Here, new capacity was available at the Group's new plants in the USA and India. These have not yet reached their full capacity utilisation, with the result that the capacity utilisation of the biomethane plants in the first three months of the financial year 2022/2023 is below the level reported for the previous year.

Outlook, opportunity and risk report**Outlook report**

VERBIO is making no changes to the results forecasts provided in the 2021/2022 annual report published on September 27, 2022. Based on current sales volumes and raw material prices as well as the planned production capacity usage, the VERBIO Vereinigte BioEnergie AG Management Board expects to achieve an EBITDA for the financial year 2022/2023 of around EUR 300 million.

The Group plans significant amounts of investments to expand production capacity and in product diversification and internationalisation in the current financial year. This will be financed using the free cash reserves generated in previous financial periods and cash flows from current operations. Accordingly, the Management Board expects that the Group will have net financial assets of approximately EUR 30 million at the end of the financial year 2022/2023. This forecast is made subject to the proviso that the continued course of the Russian aggression in Ukraine and its consequences do not have a significant further negative effect on the market for biofuels and, in particular, on the procurement of raw materials and energy.

Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2021/2022 annual report. Further, there have been no changes in the risks and opportunities profile of the VERBIO Group during the reporting period. There are no present risks or discernible potential risks that represent a threat to the ability of the Group to continue as a going concern.

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for the period from July 1, 2022 to September 30, 2022

EUR (thousands)	Q1 2022/2023	Q1 2021/2022
1. Sales revenue (including energy taxes collected)	592,384	350,609
less: energy taxes	-219	-181
Sales revenue	592,165	350,428
2. Change in unfinished and finished goods	14,320	585
3. Own work capitalised	876	610
4. Other operating income	2,911	1,961
5. Cost of materials	-462,359	-258,971
6. Personnel expenses	-18,472	-15,253
7. Amortisation and impairment of non-current assets	-9,514	-7,137
8. Other operating expenses	-17,221	-11,851
9. Changes in the value of financial assets and liabilities	7,758	1,993
10. Result from commodity forward contracts	1,431	-29,313
11. Operating result	111,895	33,052
12. Interest income	267	36
13. Interest expense	-175	-279
14. Financial result	92	-243
15. Result before tax	111,987	32,809
16. Income taxes	-35,082	-10,171
17. Net result for the period	76,905	22,638
Result attributable to shareholders of the parent company	76,878	22,545
Result attributable to non-controlling interests	27	93
Earnings per share (basic) in euros	1.21	0.36

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EUR (thousands)	30.09.2022	30.06.2022
Assets		
A. Non-current assets		
I. Intangible assets	849	846
II. Property, plant and equipment	436,950	391,523
III. Right-of-use assets under leasing arrangements	21,403	18,950
IV. Financial assets	3,129	2,397
V. Other assets	61,554	57,762
VI. Deferred taxes	4,965	807
Total non-current assets	528,850	472,285
B. Current assets		
I. Inventories	197,393	169,335
II. Trade receivables	128,089	112,234
III. Derivatives	17,464	40,975
IV. Other current financial assets	83,819	20,828
V. Tax refunds	224	84
VI. Other assets	64,044	13,266
VII. Cash and cash equivalents	214,864	299,612
Total current assets	705,897	656,334
Balance sheet total	1,234,747	1,128,619

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EUR (thousands)	30.09.2022	30.06.2022
Equity and liabilities		
A. Equity		
I. Share capital	63,398	63,398
II. Additional paid-in capital	499,789	499,393
III. Retained earnings	298,139	221,261
IV. Reserve for cash flow hedges	-9,439	13,438
V. Reserve for translation adjustments	35,191	18,741
Total equity attributable to owners of the parent	887,078	816,231
VI. Non-controlling interests	2,252	2,224
Total equity	889,330	818,455
B. Non-current liabilities		
I. Bank loans and other loans	30,000	30,000
II. Lease liabilities	16,088	14,419
III. Provisions	131	131
IV. Deferred investment grants and subsidies	1,148	1,342
V. Other non-current financial liabilities	224	224
VI. Deferred taxes	286	11,912
Total non-current liabilities	47,877	58,028
C. Current liabilities		
I. Lease liabilities	5,793	4,967
II. Trade payables	109,767	95,371
III. Derivatives	22,939	15,867
IV. Other current financial liabilities	20,525	14,304
V. Tax liabilities	117,121	89,156
VI. Provisions	4,151	3,655
VII. Deferred investment grants and subsidies	830	837
VIII. Other current liabilities	16,414	27,979
Total current liabilities	297,540	252,136
Balance sheet total	1,234,747	1,128,619

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EUR (thousands)	Q1 2022/2023	Q1 2021/2022
Net result for the period	76,905	22,638
Income taxes	35,082	10,171
Interest result	-92	243
Depreciation and amortisation	9,514	7,137
Non-cash expenses from share-based remuneration	396	359
Other non-cash income and expenses	587	176
Gains on disposal of property, plant and equipment and disposal of investment grants	-46	-82
Release of deferred investment grants and subsidies	-202	-213
Non-cash changes in derivative financial instruments	-3,165	3,207
Increase in inventories	-28,059	-7,405
Increase in trade receivables	-15,855	-24,836
Increase in other assets and other current financial assets	-113,908	-8,210
Increase (previous year: decrease) in provisions	425	-4,148
Increase in trade payables	11,380	14,946
Decrease (previous year: increase) in other current financial and non-financial liabilities	-5,968	11,505
Interest paid	-109	-225
Interest received	267	37
Income taxes paid	-11,353	-6,759
Cash flows from operating activities	-44,201	18,541

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EUR (thousands)	Q1 2022/2023	Q1 2021/2022
Acquisition of intangible assets	-49	-51
Acquisition of property, plant and equipment	-39,619	-20,243
Proceeds from disposal of property, plant and equipment	40	81
Cash outflows for investments in associated companies	-733	0
Cash flows from investing activities	-40,361	-20,213
Payments for the redemption of lease liabilities	-1,569	-1,589
Cash flows from financing activities	-1,569	-1,589
Cash-effective change in cash funds	-86,131	-3,261
Change in cash funds due to effects of exchange rates	1,383	468
Cash funds at beginning of year	299,612	105,025
Cash funds at end of year	214,864	102,232

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February 3, 2023	Virtual annual general meeting 2023
February 9, 2023	Publication of the half-yearly interim report 2022/2023 (July 2022 to December 2022) Conference call
May 11, 2023	Publication of the quarterly statement for the period ended March 31, 2023 (July 2022 to March 2023) Conference call
September 26, 2023	Publication of the annual report 2022/2023 Analysts' and annual financial press conference

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VERBIO Vereinigte BioEnergie AG

Contact

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

Telephone: +49 341 308530-0

www.verbio.de

Forward-looking statements

This quarterly statement includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset situation, may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this quarterly statement.

This quarterly statement is published in German (original version) and in English (non-binding translation). It is available for download at <http://www.verbio.de> in both languages.

Further information about VERBIO Vereinigte BioEnergie AG is available on request.
Telephone: +49 341 308530-0
E-Mail: ir@verbio.de